

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
BALTIMORE DIVISION**

**IN RE: EXCELSIOR, FEDERATED AND
SCUDDER MUTUAL FUND LITIGATION**

) **MDL No. 1586**

) Docket No. 04-MD-15861

) (Judge Blake)

**RESPONSE OF THE FEDERATED DEFENDANTS
TO LEAD PLAINTIFF MOTIONS AND PROPOSALS**

Federated Investors, Inc. and related entities named as defendants in these proceedings (“the Federated Defendants”) submit this response to the lead plaintiff motions and other proposals filed on or about April 19, 2004. This response has been reviewed by various Federated mutual funds (and their trustees) that are parties to these proceedings, through their counsel, Dickstein, Shapiro, Morin & Oshinsky, LLP.

By letter dated April 5, 2004, the Court set April 19, 2004, as the deadline “for any counsel who seek to be appointed as lead counsel under the PSLRA to file motion seeking such appointment.” In response to this direction, the following were filed in the Federated “track”:

- (1) Motion of Excelsior, Federated and Scudder Lead Plaintiff Movants for Appointment as Lead Plaintiffs, and Approval of their Selection of Counsel;
- (2) Motion to Appoint Counsel by Individual Fund Plaintiffs; and
- (3) Memorandum in Support of Derivative Plaintiffs’ Motion for Case Management Order.

In addition to addressing the lead plaintiff issue under the PSLRA that the Court requested to be briefed at this time, the above papers include proposed Case Management Orders that purport to control issues other than lead plaintiff / lead counsel status and plaintiffs' organizational structure. The Federated Defendants request that no such Case Management Orders be entered until after: (1) a lead plaintiff and lead plaintiff's counsel are selected under the PSLRA; and (2) lead plaintiff's counsel and counsel for the Federated Defendants have had an opportunity to consult about the content and language of any proposed Case Management Order.

As to the merits of the competing lead plaintiffs' motions and the competing plaintiffs' organizational proposals, the Federated Defendants respond by explicitly reserving their rights to raise any and all defenses to any claims asserted or to be asserted against the Federated Defendants. The Federated Defendants further explicitly reserve their right to raise any and all defenses to class certification, including but not limited to their right to challenge the proposed lead plaintiffs' adequacy as class representatives.

Respectfully submitted,

Dated: April 26, 2004

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